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SUBJECT: LARGE VILLAGES SOUTH OF HEBRON CUT OFF FROM MAIN  
TRANSIT ARTERY

REF: JERUSALEM 192

Classified By: Consul General Daniel Rubinstein for reasons 1.4 b and d  
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1) (SBU) Summary. Three significant roadblocks impede movement for tens of thousands of residents of Palestinian villages south of Hebron, cutting off direct access for businesses to the commercial center of Hebron, their largest market. These three roadblocks )- Beit Haggay, Dhahiriya, and Qalqas )- also extend travel times to the commercial crossing point into Israel at Tarqumiya, forcing trucks onto inferior and often congested roads. Since May 2008, three other obstacles that had blocked access to the West Bank's main north-south artery (Route 60) south of Hebron have been removed or replaced with gates, which are generally left open and unmanned, improving access and movement for thousands of residents of local villages. Still, the economy of the southern West Bank remains constrained by a lack of access to markets, in particular to Hebron and the commercial crossing at Tarqumiya. Separately, Post has learned of an additional industrial input which can no longer be imported into the West Bank, due to Israeli restrictions. End Summary.

12. (SBU) ConGenOffs have visited towns and villages south of Hebron, including Dhahiriya, Dura, Qalqas, and Yatta, on a number of occasions in recent months. The villages represent an economically-significant part of the West Bank, with a combined population of approximately 250,000 (equivalent to the population of the entire Jenin Governorate in the northern West Bank). Links to a map of the region and other photos associated with this report can be found on ConGen Jerusalem's unclassified Intelink site (<http://www.intelink.gov/communities/state/palecon>).

Beit Haggay, Dhahiriya, and Qalqas Roadblocks  
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13. (SBU) A roadblock near the Beit Haggay settlement prevents 250,000 Palestinian villagers south of Hebron from accessing Hebron through its main southern entrance off Route 60. The alternative route forces an estimated 7,500 daily travelers to detour 6.5 kilometers through the Hebron industrial zone, resulting in USD 4.5 million losses per year in transportation costs and reduced trade, according to a recent analysis by the USAID-funded Trade Facilitation Project. Southern West Bank businesses report an increase in 2009 of USD 600,000 in shipping costs, a decrease of 15 to 20 percent in trade volumes, and estimated losses of almost USD one million in annual sales attributed to movement restrictions,

according to the same analysis. ConGenOffs visit the Beit Haggay roadblock regularly )- most recently on February 6 )- and confirmed its closure.

¶4. (SBU) Since 2002, the IDF has blocked the main road leading out of Dhahiriya (the West Bank's most southern village) onto Route 60 with an earthmound, forcing residents to travel on smaller, lower-quality roads to reach Hebron. The roadblock affects 150,000 residents from Dhahiriya and surrounding villages, and roughly 8,500 daily travelers, according to a USAID-funded study. Before the year 2000, Dhahiriya served as the commercial and social hub for approximately 180,000 Israeli Bedouin Arabs who live south of the West Bank in the Negev, but has since lost 40 percent of its businesses and 60 percent in real estate value as a result of the closure regime. ConGenOffs visited the Dhahiriya roadblock most recently on February 6 and confirmed its closure.

¶5. (SBU) The IDF in 2001 erected a roadblock north of Qalqas, just south of Hebron's industrial zone. It prevents residents and businesses from directly accessing Route 60. Qalqas is home to the West Bank's largest steel company, three of the biggest Palestinian dairies, and four prominent stone and marble factories. Local businessmen claim Qalqas businesses generate between USD 40)50 million per year. As a result of the Qalqas closure, businesses must travel an extra 30 minutes on inferior roads (not suitable for large trucks) to reach Hebron, a trip of little more than a kilometer prior to the roadblock.

Restrictions Impact Bottom Lines

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¶6. (C) Bassam Abu Alan, a food and beverage distributor from Dhahiriya, estimated that the removal of the Dhahiriya and Beit Haggay roadblocks would cut his travel time to Ramallah in half, and slash shipping costs by two-thirds. Another beverage trader from Dhahiriya said he now pays six times the shipping cost to export his product to Beersheva in Israel because of the separation barrier, and four times the shipping cost to move his product to Hebron because of the Dhahiriya and Beit Haggay roadblocks. He added that the shipping costs for Coca-Cola shipments from Ramallah to the southern West Bank have doubled since 2000 because of the roadblocks and checkpoints on route.

¶7. (SBU) A farmer based in Hijra (just south of the Beit Haggay roadblock) said that, although his packing plant is less than three kilometers from Hebron's central market, his trucks travel 13 kilometers on terrible roads )- adding 30 minutes and increasing the risk of damaged goods )- because of the roadblock. He estimated that the removal of the Beit Haggay roadblock would cut his shipping costs in half and allow him to double the number of his full-time employees.

¶8. (C) Ziad Hadad, owner of the West Bank's largest steel company, based in Qalqas, estimated that he could triple current production (currently USD 15 million yearly) and increase the number of employees from 80 to 300 if Gaza and East Jerusalem became accessible again, the Qalqas roadblock were removed, and back-to-back procedures at Tarqumiya were abolished. While Hadad's factory is a kilometer outside Hebron's industrial zone, his trucks travel an extra 30 minutes on poor roads to reach the city.

Other Access to Route 60 Improved

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¶9. (SBU) In other locations along Route 60, the GOI has eased three important restrictions over the past two years, resulting in positive economic and social changes for villages south and east of Hebron. In May 2008, the GOI replaced a roadblock linking Hebron's industrial zone south of the city to Route 60 with two road gates that are now usually open. Travel through these gates (known as Sheep's Junction) has improved commercial traffic to and from

Hebron's industrial zone. The GOI in December 2008 replaced an earthmound with another road gate at the main entrance to As Samu' off Route 60, easing travel to Hebron for the approximately 23,000 residents there. And in February 2009, the GOI removed an earthmound that blocked the main entrance to Bani Na'im (Hebron,s largest eastern village) off Route 60, reducing the travel time to Hebron for about 20,000 residents to the city's east.

#### Another Restricted Chemical

¶10. (C) Nader Salah, who until 1996 owned the West Bank's only factory producing car batteries (based in Dhahiriya), closed his business three years ago because the GOI no longer allowed the importation of the H<sub>2</sub>/SO<sub>4</sub> )- an essential acid for battery production )- into the West Bank. Salah and his 35 employees lost their jobs, and Salah has been unable to pay back the thousands of dollars of loans he invested in factory equipment.

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